



FIRST NATIONAL INSURANCE COMPANY OF AMERICA
P O BOX 461, ST. LOUIS, MO 63166

MARCH 2, 2006

EMERALD CITY INSURANCE AGY INC
VIRTUAL PRODUCER - CNR
22425 E APPLEWAY AVE
LIBERTY LAKE WA 99019-8571

Policy Number:	X5211257
24-Hour Claims:	1-866-472-3326
Pay Your Bill:	1-866-472-3326
All Other Policy Service:	1-866-472-3326
Online Account Service:	www.safeco.com

GREG CRUTCHER
PO BOX 27145
ALBUQUERQUE NM 87125-7145



IDENTIFICATION CARDS ENCLOSED

Welcome to Safeco!

We believe insurance shouldn't be any more complex than it has to be. Welcome to an easier experience with Safeco.

Enclosed is your new automobile policy. Read it through carefully. It will give you a detailed description of the type and amount of your coverage, any deductibles (your out-of-pocket costs) that apply and the effective date of your policy. If, after reading your policy, you have any questions or want to find out about discounts that may apply to your policy, please call 1-866-472-3326.

The premium for your policy is \$712.60 for the March 17, 2006 to September 17, 2006 policy term. If your billing statement is not enclosed, it should arrive soon in a separate mailing. When you receive it, please review the statement carefully to see the amount and date of your next payment. Please also check to ensure that your requested payment plan has been processed accurately.

For added convenience, visit www.safeco.com and make use of our automated services available to you including, but not limited to:

- Make a payment by online check, or credit card.
- Review your billing history.
- Change your billing due date.
- View your policy documents.
- Order a copy of your policy and/or insurance ID cards.
- Report to us a name change, or change of address.

For all other assistance please call your agent at 1-866-472-3326.

Thank you for your business. We look forward to serving you.

PLEASE SEE REVERSE

Sincerely,

A handwritten signature in black ink, appearing to read "Michael LaRocco".

Michael LaRocco
President and Chief Operating Officer
Safeco Personal Insurance



Consumer Privacy Statement

Safeco appreciates the trust you place in us when you purchase insurance from one of our companies. We are committed to protecting your nonpublic personal information ("personal information") and we value you as a customer.

To learn more about how Safeco collects and uses your personal information, please read the following notice.

Safeco's sources of information about you

We collect personal information about you from different sources, including:

- The information you provide on applications or other forms (such as your name, address and Social Security number);
- Your transactions with us, our affiliates or others (such as your payment history and claims information);
- The information we receive from a consumer reporting agency or insurance support organization (such as your credit history, driving record or claims history); and
- Your independent insurance producer (such as updated information pertaining to your account).

Safeco's use of your personal information

We only disclose personal information about our customers and former customers as permitted by law. Generally, this includes disclosures to third parties to effect, administer or enforce your transactions with us, or in connection with servicing your insurance policy. These third parties may include independent insurance producers authorized to sell Safeco insurance products, independent contractors (such as automobile repair facilities and property inspectors), independent claims representatives, insurance support organizations, auditors, attorneys, courts and government agencies. We may also disclose your personal information to other financial institutions with whom we have joint marketing agreements. Before disclosing your personal information, we require these parties to enter into an agreement with us that includes a confidentiality provision.

We may also share information about our transactions (such as payment history and products purchased) and experiences with you (such as claims made) within our Safeco family of companies.

Safeco does not sell your personal information to others and we do not provide your information to third parties for their own marketing purposes.

Independent Safeco Insurance Agents

The independent insurance agents authorized to sell Safeco products are not Safeco employees and not subject to Safeco's Privacy Policy. Because they have a unique business relationship with you, they may have additional personal information about you that Safeco does not have. They may use this information differently than Safeco. Contact your Safeco distributor to learn more about their privacy practices.

Information about Safeco's web site

If you have internet access and want more information about our web site specific privacy and security practices, click on the Privacy Policy link on www.safeco.com.

Protecting your personal information from unauthorized access

We maintain physical, electronic and procedural safeguards to protect your personal information. Our employees are authorized to access customer information only for legitimate business purposes.

Your medical information

If Safeco obtains medical information about you, it is done only in connection with specific claims. We will not use or share personally identifiable medical information for any purpose other than the administration of your claim, or as otherwise disclosed to you when the information is collected.

State Privacy Laws

This privacy statement may be supplemented by privacy laws in your state. We will protect your information in accordance with state law.

This Privacy Statement applies to the following members of the Safeco family of companies:

American Economy Insurance Company
American States Insurance Company
American States Insurance Company of Texas
American States Lloyds Insurance Company
American States Preferred Insurance Company
First National Insurance Company of America
General Insurance Company of America
Insurance Company of Illinois
Safeco Insurance Company of America
Safeco Insurance Company of Illinois
Safeco Insurance Company of Indiana
Safeco Insurance Company of Oregon
Safeco Lloyds Insurance Company
Safeco National Insurance Company
Safeco Surplus Lines Insurance Company

An Important Notice Regarding Your Safeco Policy

FIRST NATIONAL INSURANCE COMPANY OF AMERICA is pleased to offer you insurance according to the price and terms stated on the Declarations Page of your policy. Because of regulations around the Fair Credit Reporting Act, we want to explain why one Safeco company over the others is providing your insurance product.

Each of the following companies offer insurance coverage in your state under the Safeco Insurance brand:

Safeco Insurance Company of America
First National Insurance Company of America
General Insurance Company of America

Pricing, policy terms, and customer eligibility vary among these companies. Even within a single company there may be different levels of pricing. This mix of companies allows Safeco, as a whole, to offer an accurately priced product to nearly everyone in the state. The company(ies) that are listed before FIRST NATIONAL INSURANCE COMPANY OF AMERICA offer more favorable prices and terms; however, based in part on information from consumer reports that are detailed on the next pages, those companies have determined that you are not eligible for the price and terms they offer.

Because this consumer information adversely affected your ability to obtain the most favorable price and terms for insurance available with Safeco, all of the companies listed above are providing this notice as required by the Fair Credit Reporting Act.

Consumer Report Information

In determining eligibility and what you pay for insurance, many factors are considered, including:

- Your claims history
- Eligibility for discounts
- Coverage limits
- Driving record (if auto insurance)
- Your insurance score

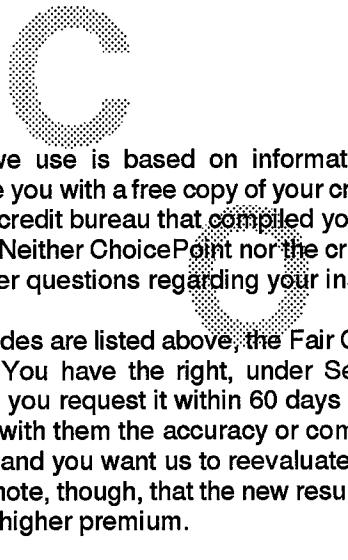
Shown below are the numeric reason codes for the financial history factors that adversely affected your insurance score. A key to the codes is listed on the back of this page. **IF NO REASON CODES ARE LISTED, YOUR INSURANCE SCORE IS NOT AN ADVERSE FACTOR IN YOUR PREMIUM DETERMINATION.**

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The insurance score we use is based on information in your credit report provided by ChoicePoint. ChoicePoint can provide you with a free copy of your credit report if your insurance score was a factor in your premium increase. The credit bureau that compiled your report can assist you with any questions you might have about your report. Neither ChoicePoint nor the credit bureau made the premium determination, so they will not be able to answer questions regarding your insurance policy.

If one or more reason codes are listed above, the Fair Credit Reporting Act gives you certain rights regarding information about you. You have the right, under Section 612, to obtain a free copy of the report from ChoicePoint, as long as you request it within 60 days of receiving this letter. You also have the right, under Section 611, to dispute with them the accuracy or completeness of any information contained in the report. If corrections are made and you want us to reevaluate our decision using your updated score, we would be happy to do so. Please note, though, that the new result of your written request will be implemented, whether that leads to a lower or higher premium.

An insurance score is based on information in your credit report that reflects your credit payments over time, with more emphasis on recent information. Some general ways to improve a score are to:

- Pay bills on time. Delinquent payments and collections can have a major negative impact on a score.
- Keep balances low on unsecured revolving debt like credit cards. High outstanding debt can affect a score.
- Apply for and open new credit accounts only as needed.

To contact ChoicePoint:

ChoicePoint Consumer Service Center
PO Box 105108
Atlanta, GA 30348-5108
1-800-456-6004
www.consumerdisclosure.com

Thank you for your continued business with Safeco. If you have any questions or would like to discuss your insurance options, please contact your Safeco agent.

Reason Code Definitions

Code Meaning

91	recent adverse public record
90	recent collection
88	number of adverse public records (judgment, lien, bankruptcy, foreclosure &/or garnishment)
78	number of trade lines
77	relationship of loan balance to loan amount on installment loan accounts
76	number of accounts with recent payment information
74	number of accounts with large high credit amounts
73	length of time since most recent installment loan trade line opening
72	number of installment loan accounts with outstanding balances
71	number of installment loan accounts
70	length of time since most recent trade line opening
69	length of time since most recent inquiry
68	number of bank or national revolving/open accounts with outstanding balances
67	number of collection agency filings
66	account not paid as agreed, public record, or collection agency filing
65	amount past due on accounts
64	length of time since public record or collection agency filing
63	number of accounts currently or in the past not paid as agreed
62	length of time accounts have been established
61	length of time (or unknown time) since account not paid as agreed or trade narrative reported
60	length of time revolving/open accounts have been established
59	outstanding balances on revolving/open accounts
58	relationship of balance to high credit on bank/national accounts or other revolving/open accounts
57	number of accounts opened within the last twelve months
56	number of recent inquiries within the past twelve months
55	number of finance company accounts
54	number of accounts with outstanding balances
53	number of bank or national revolving/open accounts
52	accounts not paid as agreed
51	current outstanding balances on accounts

IMPORTANT NOTICE ABOUT UNINSURED/UNDERINSURED MOTORISTS COVERAGE

We are required to provide you Uninsured/Underinsured Motorists (UM/UIM) Coverage at a minimum limit designated by New Mexico State law, currently \$25,000 per person and \$50,000 per accident for injuries and \$10,000 for property damage. You may choose to purchase higher amounts (up to the liability limits in your policy for Bodily Injury and Property Damage) or to reject the coverage altogether.

UM/UIM Coverage pays medical bills for injuries you receive, death benefits, and loss of wages (all subject to the terms in your policy) when a hit-and-run driver, or a driver who has no insurance or too little insurance, is responsible for an accident in which you are involved.

Most coverages are shown on your policy with a separate limit and charge for each vehicle. The UM/UIM coverage is different. It is provided on a "per policy" basis rather than on a "per vehicle" basis. This means the limit shown applies regardless of the number of vehicles you own and insure under the policy. This change was made because New Mexico court decisions allowed this coverage limit to be multiplied by the number of cars insured and premiums charged. As a result, the UM/UIM limit was increased or "stacked." The multiplication or "stacking" of limits is not possible under your SAFECO policy. The listed UM/UIM limit applies no matter how many vehicles you own or insure.

The amount of Uninsured or Underinsured Motorists Coverage you have selected is shown on your Declarations page. If no limit and premium charge is shown, you have rejected the coverage. You should consider the maximum limit you feel will provide the necessary coverage for you and your family. If you would like to purchase a different amount of coverage or if you have questions about what amount is appropriate, please contact your SAFECO agent. Your agent's phone number is shown on the enclosed Declarations page. By paying the renewal premium, you acknowledge that you have read and accepted the UM/UIM coverage as provided.

SA-2196/NMEP 4/99

P

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FIRST NATIONAL INSURANCE COMPANY OF AMERICA
AUTOMOBILE POLICY DECLARATIONS

POLICY NUMBER: X5211257

INSURED:
GREG CRUTCHER
PO BOX 27145
ALBUQUERQUE NM 87125-7145

POLICY PERIOD FROM: MAR. 17 2006
TO: SEPT 17 2006

at 12:01 A.M. standard time at
the address of the insured as
stated herein.

AGENT:
EMERALD CITY INSURANCE AGY INC
VIRTUAL PRODUCER - CNR
22425 E APPLEWAY AVE
LIBERTY LAKE WA 99019-8571

AGENT TELEPHONE:
1-866-472-3326

ALL DRIVERS GREG CRUTCHER
IN HOUSEHOLD

RATED DRIVERS GREG CRUTCHER

1997 DODGE DAKOTA 2 DOOR PICK-UP ID# 1B7GL23X1VS267203

Insurance is afforded only for the coverages for which limits of liability or
premium charges are indicated.

COVERAGE	1997 DODGE LIMITS	PREMIUMS
LIABILITY: BODILY INJURY	\$25,000 Each Person \$50,000 Each Occurrence \$25,000 Each Occurrence	\$ 146.80
PROPERTY DAMAGE		135.00
UNINSURED AND UNDERINSURED MOTORISTS: PROPERTY DAMAGE	\$10,000 Each Accident Less \$250 Deductible	17.70
COMPREHENSIVE	Actual Cash Value Less \$500 Deductible	65.30
COLLISION	Actual Cash Value Less \$500 Deductible	213.10
ADDITIONAL COVERAGES: TOWING & LABOR LOSS OF USE	\$22 Per Day/\$660 Max	2.50 11.40
	UNINSURED/UNDERINSURED MOTORISTS BODILY INJURY	\$ 120.80

		TOTAL \$ 712.60

CONGRATULATIONS! YOUR PREMIUM INCLUDES DISCOUNTS FOR:
Account

YOUR POLICY INCLUDES UNINSURED/UNDERINSURED MOTORISTS BODILY
INJURY COVERAGE WITH LIMITS OF \$25,000 PER PERSON/\$50,000 PER
ACCIDENT. WE CHARGE ONE PREMIUM FOR THIS COVERAGE REGARDLESS OF
THE NUMBER OF VEHICLES ON YOUR POLICY. YOUR PREMIUM IS \$120.80.

-CONTINUED-

P O BOX 461, ST. LOUIS, MO 63166



**FIRST NATIONAL INSURANCE COMPANY OF AMERICA
AUTOMOBILE POLICY DECLARATIONS**

POLICY NUMBER: X5211257

(CONTINUED)

POLICY FORMS APPLICABLE TO THIS POLICY:
SA-1697/EP 9/90, SA-1852/NMEP 12/01, SA-1701/EP 9/90



NEW MEXICO PERSONAL AUTO POLICY

SAFECO INSURANCE COMPANY OF AMERICA

FIRST NATIONAL INSURANCE COMPANY OF AMERICA

Home Office: 4333 Brooklyn Ave. N.E., Seattle, Washington 98185

SAFECO INSURANCE COMPANY OF ILLINOIS

Home Office: 2800 W. Higgins Rd., Suite 1100, Hoffman Estates, Illinois 60195

SAFECO NATIONAL INSURANCE COMPANY

Home Office: 3637 S. Geyer Road, Sunset Hills, Missouri 63127

(Each a stock insurance company.)

READY REFERENCE TO YOUR AUTO POLICY

AGREEMENT
DEFINITIONS
PART A



LIABILITY COVERAGE

Insuring Agreement
Supplementary Payments
Exclusions
Limit of Liability
Out of State Coverage
Financial Responsibility
Other Insurance

PART B

MEDICAL PAYMENTS COVERAGE

Insuring Agreement
Exclusions
Limit of Liability
Other Insurance

PART C

UNINSURED/UNDERINSURED MOTORISTS COVERAGE

Insuring Agreement
Exclusions
Limit of Liability
Other Insurance

PART D

COVERAGE FOR DAMAGE TO YOUR AUTO

Insuring Agreement
Transportation Expenses
Exclusions
Limit of Liability
Payment of Loss
No Benefit to Bailee
Other Sources of Recovery
Appraisal



LIMITED MEXICO COVERAGE

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DUTIES AFTER AN ACCIDENT OR LOSS

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GENERAL PROVISIONS

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Policy Period and Territory
Changes
Termination
Two or More Auto Policies

ADDITIONAL COVERAGES

16

Towing and Labor Costs Coverage
Loss of Use Coverage

AGREEMENT

In return for payment of the premium and subject to all the terms of this policy, we agree with you as follows:

DEFINITIONS

- A. Throughout this policy, "you" and "your" refer to:
 - 1. The "named insured" shown in the Declarations; and
 - 2. The spouse if a resident of the same household.
- B. "We," "us" and "our" refer to the Company providing this insurance.
- C. For purposes of this policy, a private passenger type auto shall be deemed to be owned by a person if leased:
 - 1. Under a written agreement to that person; and
 - 2. For a continuous period of at least six months.

Other words and phrases are defined. They are in bold type when used.

- D. **"Bodily injury"** means bodily harm, sickness or disease, including death that results.
- E. **"Business"** includes trade, profession or occupation.
- F. **"Family member"** means a person related to you by blood, marriage or adoption who is a resident of your household. This includes a ward or foster child who is a resident of your household.
- G. **"Occupying"** means in; upon; or getting in, on, out or off.
- H. **"Property damage"** means physical injury to, destruction of or loss of use of tangible property.
- I. **"Punitive or exemplary damages"** include damages which are awarded to punish or deter wrongful conduct, to set an example, to fine, penalize or impose a statutory penalty, and damages which are awarded for any purpose other than as compensatory damages for **bodily injury** or **property damage**.
- J. **"Trailer"** means a vehicle designed to be pulled by a:
 - 1. Private passenger auto; or
 - 2. Pickup, van or motor home.

It also means a recreational camping vehicle, a farm wagon or farm implement while towed by a vehicle listed in 1. or 2. above.

K. "Your covered auto" means:

- 1. Any vehicle shown in the Declarations.
- 2. Any of the following types of vehicles on the date you become the owner, whether operational or not:
 - a. a private passenger auto;
 - b. a pickup or van that:
 - (1) has a Gross Vehicle Weight of less than 10,000 lbs.; and
 - (2) is not used for the delivery or transportation of goods and materials unless such use is:
 - (a) incidental to your **business** of installing, maintaining or repairing furnishings or equipment; or
 - (b) for farming or ranching; or
 - c. a motor home or **trailer**.

If the vehicle you acquire replaces one shown in the Declarations, it will have the same coverage as the vehicle it replaced.

If the vehicle you acquire is in addition to any shown in the Declarations, it will have the broadest coverage we now provide for any vehicle shown in the Declarations.

This provision (K.2.) applies only if you ask us to insure the newly acquired vehicle during the policy period in which it was acquired or within thirty days after you become the owner, whichever is greater.

- 3. Any **trailer** you own.
- 4. Any auto or **trailer** you do not own while used as a temporary substitute for any other vehicle described in this definition which is out of normal use because of its:
 - a. breakdown;
 - b. repair;
 - c. servicing;
 - d. loss; or
 - e. destruction.

This provision (K.4.) does not apply to Coverage for Damage to Your Auto.

PART A — LIABILITY COVERAGE

INSURING AGREEMENT

A. We will pay damages for **bodily injury or property damage** for which any **insured** becomes legally responsible because of an auto accident. We will settle or defend, as we consider appropriate, any claim or suit asking for these damages. In addition to our limit of liability, we will pay all defense costs we incur. Our duty to settle or defend ends when our limit of liability for this coverage has been exhausted. We have no duty to defend any suit or settle any claim for **bodily injury or property damage** not covered under this policy.

B. "Insured" as used in this Part means:

1. You or any **family member** for the ownership, maintenance or use of any auto or trailer.
2. Any person using **your covered auto**.
3. For **your covered auto**, any person or organization but only with respect to legal responsibility for acts or omissions of a person for whom coverage is afforded under 1. and 2. above.
4. For any auto or trailer, other than **your covered auto**, any other person or organization but only with respect to legal responsibility for acts or omissions of you or any **family member** for whom coverage is afforded under this Part. This provision (B.4.) applies only if the person or organization does not own or hire the auto or trailer.

SUPPLEMENTARY PAYMENTS

In addition to our limit of liability, we will pay on behalf of an **insured**:

1. Up to \$250 for the cost of bail bonds required because of an accident, including related traffic law violations. The accident must result in **bodily injury or property damage** covered under this policy. We are not obligated to apply for or furnish such bonds.
2. Premiums on appeal bonds and bonds to release attachments in any suit we defend.
3. Interest on that part of the judgment we pay, accruing after a judgment is entered in any suit we defend. Our duty to pay interest ends when we offer to pay that part of the judgment which does not exceed our limit of liability for this coverage.
4. Up to \$50 a day for loss of earnings, but not other income, because of attendance at hearings or trials at our request.
5. Other reasonable expenses incurred at our request.

EXCLUSIONS

A. We do not provide Liability Coverage for any **insured**:

1. Who intentionally causes **bodily injury or property damage**.
2. For **property damage** to property owned or being transported by that **insured**.
3. For **property damage** to property:
 - a. rented to;
 - b. used by; or
 - c. in the care of;

that **insured**.

This exclusion (A.3.) does not apply to **property damage** to a:

- a. residence or private garage; or
- b. vehicle you do not own if:
 - (1) a licensed automobile dealer provides the vehicle without charge to you or a **family member**:
 - (a) for use as a temporary substitute while **your covered auto** is out of normal use because of its breakdown, repair or servicing;
 - (b) to demonstrate the vehicle; or
 - (c) as a promotional or courtesy vehicle; or
 - (2) a licensed automobile dealer provides the vehicle for a charge, or someone other than a licensed automobile dealer provides the vehicle with or without charge, to you or a **family member**:
 - (a) for use as a temporary substitute while **your covered auto** is out of normal use because of its breakdown, repair or servicing;
 - (b) to demonstrate the vehicle; or
 - (c) as a promotional or courtesy vehicle; and

The vehicle is provided under a written statement, signed by you or a **family member**, which contains the following language:

PRIMARY LIABILITY ASSIGNMENT

In consideration of the vehicle owner entrusting the motor vehicle elsewhere described to

me, I agree that my vehicle insurance or self-insurance coverage shall be primarily responsible for any loss or damage caused by or to the motor vehicle.

4. For **bodily injury** to an employee of that **insured** during the course of employment. This exclusion (A.4.) does not apply to **bodily injury** to a domestic employee unless workers' compensation benefits are required or available for that domestic employee.

5. For that **insured's** liability arising out of the ownership or operation of a vehicle while it is being used as a public or livery conveyance. This exclusion (A.5.) does not apply to a share-the-expense car pool.

6. While employed or otherwise engaged in the **business** or occupation of:

- a. selling;
- b. repairing;
- c. servicing;
- d. storing; or
- e. parking;

vehicles designed for use mainly on public highways. This includes road testing and delivery. This exclusion (A.6.) does not apply to the ownership, maintenance or use of **your covered auto** by:

- a. you;
- b. any **family member**; or
- c. any partner, agent or employee of you or any **family member**.

7. Maintaining or using any vehicle while that **insured** is employed or otherwise engaged in any **business** or occupation (other than farming or ranching) not described in Exclusion A.6. This exclusion (A.7.) does not apply to the maintenance or use of a:

- a. private passenger auto;
- b. pickup, motor home or van that:
 - (1) you own; or
 - (2) you do not own while used as a temporary substitute for **your covered auto** which is out of normal use because of its:
 - (a) breakdown;
 - (b) repair;
 - (c) servicing;
 - (d) loss; or
 - (e) destruction; or

c. **trailer** used with a vehicle described in a. or b. above.

8. Using a vehicle without a reasonable belief that that **insured** has permission to do so.

9. For **bodily injury** or **property damage** for which that **insured**:

- a. is an insured under a nuclear energy liability policy; or
- b. would be an insured under a nuclear energy liability policy but for its termination upon exhaustion of its limit of liability.

A nuclear energy liability policy is a policy issued by any of the following or their successors:

- a. American Nuclear Insurers;
- b. Mutual Atomic Energy Liability Underwriters; or
- c. Nuclear Insurance Association of Canada.

10. For **bodily injury** to you or any **family member** to the extent that the limits of liability for Bodily Injury Liability Coverage exceed the limits of liability required by the New Mexico Financial Responsibility Law.

11. For **punitive** or **exemplary** damages awarded against an **insured** to the extent that the limits of liability for Bodily Injury Liability Coverage exceeds the limits of liability required by the New Mexico Financial Responsibility Law.

B. We do not provide Liability Coverage for the ownership, maintenance or use of:

1. Any vehicle which:

- a. has fewer than four wheels; or
- b. is designed mainly for use off public roads.

This exclusion does not apply:

- a. while such vehicle is being used by an **insured** in a medical emergency; or
- b. to any **trailer**.

2. Any vehicle, other than **your covered auto**, which is:

- a. owned by you; or
- b. furnished or available for your regular use.

3. Any vehicle, other than **your covered auto**, which is:

- a. owned by any **family member**; or
- b. furnished or available for the regular use of any **family member**.

However, this exclusion (B.3.) does not apply to you while you are maintaining or **occupying** any vehicle which is:

- a. owned by a **family member**; or
- b. furnished or available for the regular use of a **family member**.

4. Any vehicle, located inside a facility designed for racing, for the purpose of:

- a. competing in; or
- b. practicing or preparing for; any prearranged or organized racing or speed contest.

LIMIT OF LIABILITY

A. If the Declarations indicate **Individual Coverages** apply:

The limit of liability shown in the Declarations for "each person" for Bodily Injury Liability is our maximum limit of liability for all damages, including damages for care and loss of services (including loss of consortium and wrongful death), arising out of **bodily injury** sustained by any one person in any one auto accident.

Subject to this limit for "each person," the limit of liability shown in the Declarations for "each accident" for Bodily Injury Liability is our maximum limit of liability for all damages for **bodily injury** resulting from any one auto accident.

The limit of liability shown in the Declarations for each accident for Property Damage Liability is our maximum limit of liability for all **property damage** resulting from any one accident.

This is the most we will pay regardless of the number of:

1. **Insureds**;
2. Claims made;
3. Vehicles or premiums shown in the Declarations; or
4. Vehicles involved in the auto accident.

B. If the Declarations indicate **Combined Single Limit** applies:

The limit of liability shown in the Declarations for this coverage is our maximum limit of liability for all damages resulting from any one auto accident. This is the most we will pay regardless of the number of:

1. **Insureds**;
2. Claims made;
3. Vehicles or premiums shown in the Declarations; or
4. Vehicles involved in the auto accident.

We will apply the limit of liability to provide any separate limits required by law for bodily injury and property damage liability. However, this provision will not change our total limit of liability.

C. No one will be entitled to receive duplicate payments for the same elements of loss under this coverage and Part B or Part C of this policy.

OUT OF STATE COVERAGE

If an auto accident to which this policy applies occurs in any state or province other than the one in which **your covered auto** is principally garaged, we will interpret your policy for that accident as follows:

A. If the state or province has:

1. A financial responsibility or similar law specifying limits of liability for **bodily injury** or **property damage** higher than the limit shown in the Declarations, your policy will provide the higher specified limit.
2. A compulsory insurance or similar law requiring a nonresident to maintain insurance whenever the nonresident uses a vehicle in that state or province, your policy will provide at least the required minimum amounts and types of coverage.

B. No one will be entitled to duplicate payments for the same elements of loss.

FINANCIAL RESPONSIBILITY

When this policy is certified as future proof of financial responsibility, this policy shall comply with the law to the extent required.

OTHER INSURANCE

If there is other applicable liability insurance we will pay only our share of the loss. Our share is the proportion that our limit of liability bears to the total of all applicable limits. However, any insurance we provide for a vehicle you do not own shall be excess over any other collectible insurance.

However, we will provide primary insurance for a vehicle you do not own if:

1. A licensed automobile dealer provides the vehicle without charge to you or a **family member**:
 - a. for use as a temporary substitute while **your covered auto** is out of normal use because of its breakdown, repair or servicing;
 - b. to demonstrate the vehicle; or
 - c. as a promotional or courtesy vehicle; or

2. A licensed automobile dealer provides the vehicle for a charge, or someone other than a licensed automobile dealer provides the vehicle with or without charge, to you or a **family member**:
 - a. for use as a temporary substitute while **your covered auto** is out of normal use because of its breakdown, repair or servicing;
 - b. to demonstrate the vehicle; or
 - c. as a promotional or courtesy vehicle; and

The vehicle is provided under a written statement, signed by you or a **family member**, which contains the following language:

PRIMARY LIABILITY ASSIGNMENT

In consideration of the vehicle owner entrusting the motor vehicle elsewhere described to me, I agree that my vehicle insurance or self-insurance coverage shall be primarily responsible for any loss or damage caused by or to the motor vehicle.

PART B — MEDICAL PAYMENTS COVERAGE

INSURING AGREEMENT

- A. We will pay usual and customary charges incurred for reasonable and necessary medical and funeral expenses because of **bodily injury**:
 1. Caused by accident; and
 2. Sustained by an **insured**.

We will pay only those expenses incurred for services rendered within 3 years from the date of the accident.

- B. “**Insured**” as used in this Part means:

1. You or any **family member**:
 - a. while **occupying**; or
 - b. as a pedestrian when struck by;

a motor vehicle designed for use mainly on public roads or a **trailer** of any type.

Also, you or any **family member** while **occupying** a bicycle when struck by a motor vehicle designed for use mainly on public roads or by a **trailer** of any type.

2. Any other person while **occupying your covered auto**.
3. Any other person while **occupying**, as a guest, an automobile not owned by you or a **family member**, while being operated by you or a **family member**.

EXCLUSIONS

We do not provide Medical Payments Coverage for any **insured** for **bodily injury**:

1. Sustained while **occupying** any motorized vehicle having fewer than four wheels.
2. Sustained while **occupying your covered auto** when it is being used as a public or livery conveyance. This exclusion (2.) does not apply to a share-the-expense car pool.

3. Sustained while **occupying** any vehicle located for use as a residence or premises.

4. Occurring during the course of employment if workers' compensation benefits are required or available for the **bodily injury**.

5. Sustained while **occupying**, or when struck by, any vehicle (other than **your covered auto**) which is:

- a. owned by you; or
- b. furnished or available for your regular use.

6. Sustained while **occupying**, or when struck by, any vehicle (other than **your covered auto**) which is:

- a. owned by any **family member**; or
- b. furnished or available for the regular use of any **family member**.

However, this exclusion (6.) does not apply to you.

7. Sustained while **occupying** a vehicle without a reasonable belief that that **insured** has permission to do so.

8. Sustained while **occupying** a vehicle when it is being used in the **business** or occupation of an **insured**. This exclusion (8.) does not apply to **bodily injury** sustained while **occupying** a:

- a. private passenger auto;
- b. pickup, van or motor home that you own; or
- c. **trailer** used with a vehicle described in a. or b. above.

9. Caused by or as a consequence of:

- a. discharge of a nuclear weapon (even if accidental);
- b. war (declared or undeclared);
- c. civil war;

- d. insurrection; or
- e. rebellion or revolution.

10. From or as a consequence of the following, whether controlled or uncontrolled or however caused:

- a. nuclear reaction;
- b. radiation; or
- c. radioactive contamination.

11. Sustained while **occupying** any vehicle located inside a facility designed for racing, for the purpose of:

- a. competing in; or
- b. practicing or preparing for; any prearranged or organized racing or speed contest.

LIMIT OF LIABILITY

A. The limit of liability shown in the Declarations for this coverage is our maximum limit of

liability for each person injured in any one accident. This is the most we will pay regardless of the number of:

1. **Insureds**;
2. Claims made;
3. Vehicles or premiums shown in the Declarations; or
4. Vehicles involved in the accident.

B. No one will be entitled to receive duplicate payments for the same elements of loss under this coverage and Part A or Part C of this policy.

OTHER INSURANCE

If there is other applicable auto medical payments insurance we will pay only our share of the loss. Our share is the proportion that our limit of liability bears to the total of all applicable limits. However, any insurance we provide with respect to a vehicle you do not own shall be excess over any other collectible auto insurance providing payments for medical or funeral expenses.

PART C — UNINSURED/UNDERINSURED MOTORISTS COVERAGE

INSURING AGREEMENT

A. We will pay damages which an **insured** is legally entitled to recover from the owner or operator of an:

1. **Uninsured motor vehicle** or **underinsured motor vehicle** because of **bodily injury**:
 - a. sustained by an **insured**; and
 - b. caused by an accident.
2. **Uninsured motor vehicle** because of **property damage** caused by an accident.

The owner's or operator's liability for these damages must arise out of the ownership, maintenance or use of the **uninsured motor vehicle** or **underinsured motor vehicle**. With respect to damages an **insured** is legally entitled to recover from the owner or operator of an **underinsured motor vehicle**, we will pay under this coverage only if 1. or 2. below applies:

1. The limits of liability under any applicable bodily injury liability bonds or policies have been exhausted by payment of judgments or settlements; or
2. A tentative settlement has been made between an **insured** and the insurer of the **underinsured motor vehicle** and we:
 - a. have been given prompt written notice of such tentative settlement; and

b. advance payment to the **insured** in an amount equal to the tentative settlement within 30 days after receipt of notification.

Any judgment for damages arising out of a suit brought without our written consent is not binding on us.

B. **"Insured"** as used in this Part means:

1. You or any **family member**.
2. Any other person **occupying your covered auto**.
3. Any person for damages that person is entitled to recover because of **bodily injury** to which this coverage applies sustained by a person described in 1. or 2. above.

C. **"Property damage"** as used in this Part means injury to or destruction of the property of an **insured**.

D. **"Underinsured motor vehicle"** means a land motor vehicle or trailer of any type for which the sum of the limits of liability under all bodily injury liability bonds or policies applicable at the time of the accident is less than the sum of the limits of liability applicable to the **insured** for Uninsured/Underinsured Motorists Coverage under this policy or any other policy.

However, “**underinsured motor vehicle**” does not include any vehicle or equipment:

1. Owned by or furnished or available for the regular use of you or any **family member**. However, this exception (1.) does not apply for damages sustained by you or any **family member** if the sum of the limits of liability under all bodily injury liability bonds or policies applicable at the time of the accident is less than the sum of the limits of liability for Uninsured/Underinsured Motorists Coverage under this policy or any other policy.

2. To which a bodily injury liability bond or policy applies at the time of the accident but the bonding or insuring company:

- denies coverage; or
- is or becomes insolvent.

3. Owned or operated by a self-insurer under any applicable motor vehicle law.

E. “Uninsured motor vehicle” means a land motor vehicle or trailer of any type:

1. To which no liability bond or policy applies at the time of the accident.

2. Which is a hit-and-run vehicle whose operator or owner cannot be identified and which hits or which causes an accident resulting in **bodily injury or property damage** without hitting:

- you or any **family member**;
- a vehicle which you or any **family member** are **occupying**; or
- your covered auto**.

3. To which a liability bond or policy applies at the time of the accident, but the bonding or insuring company:

- denies coverage; or
- is or becomes insolvent.

However, “**uninsured motor vehicle**” does not include any vehicle or equipment:

1. Owned or operated by a self-insurer under any applicable motor vehicle law, except a self-insurer which is or becomes insolvent; or

2. Owned by or furnished or available for the regular use of you or any **family member**. However, this exception (2.) does not apply for damages sustained by you or any **family member** if liability coverage is excluded for such damages under this policy or any other policy.

In addition, neither “**uninsured motor vehicle**” nor “**underinsured motor vehicle**” includes any vehicle or equipment:

1. Owned by any governmental unit or agency.

- Operated on rails or crawler treads.
- Designed mainly for use off public roads while not on public roads.
- While located for use as a residence or premises.

EXCLUSIONS

A. We do not provide Uninsured/Underinsured Motorists Coverage for **bodily injury or property damage sustained by any **insured**:**

- If that **insured** or the legal representative settles the **bodily injury or property damage** claim without our consent.
- While **occupying your covered auto** when it is being used as a public or livery conveyance. This exclusion (A.2.) does not apply to a share-the-expense car pool.
- Using a vehicle without a reasonable belief that that **insured** has permission to do so.
- While **occupying** or operating an owned motorcycle or moped.
- For the first \$250 of the amount of **property damage** to the property of each **insured** as the result of any one accident.

B. This coverage shall not apply directly or indirectly to benefit any insurer or self-insurer under any of the following or similar law:

- Workers' compensation law; or
- Disability benefits law.

C. We do not provide Uninsured/Underinsured Motorists Coverage for **punitive or exemplary damages awarded against an **insured** to the extent that the limits of liability for Bodily Injury Liability Coverage exceeds the limits of liability required by the New Mexico Financial Responsibility Law.**

LIMIT OF LIABILITY

A. If **bodily injury or property damage is sustained in an accident by you or any **family member**, our maximum limit of liability for all damages in any such accident is the limit of liability for Uninsured/Underinsured Motorists Coverage shown in the Declarations applicable to each policy. Subject to this maximum limit of liability for all damages:**

- The most we will pay for **bodily injury or property damage** sustained in such accident by an **insured** other than you or any **family member** is that **insured**'s pro rata share of the limit shown in the Declarations applicable to the policy at the time of the accident.
- You or any **family member** who sustains **bodily injury or property damage** in such accident will also be entitled to a pro rata share of the limit described in paragraph 1. above.

A person's pro rata share shall be the proportion that that person's damages bears to the total damages sustained by all **insureds**.

The maximum limit of liability is the most we will pay regardless of the number of:

1. **Insureds**;
2. Claims made;
3. Vehicles or premiums shown in the Declarations; or
4. Vehicles involved in the accident.

B. If bodily injury or property damage is sustained by any **insured** other than you or any **family member** in an accident in which neither you nor any **family member** sustained **bodily injury** or **property damage** the limit of liability shown in the Declarations applicable to the policy at the time of the accident is our maximum limit of liability for all damages resulting from any such accident.

This is the most we will pay regardless of the number of:

1. **Insureds**;
2. Claims made;
3. Vehicles or premiums shown in the Declarations; or
4. Vehicles involved in the accident.

C. With respect to damages caused by an accident with an underinsured motor vehicle, the limit of liability shall be reduced by all sums paid because of **bodily injury** by or on behalf of persons or organizations who may be legally responsible. This includes all sums paid under Part A of the policy.

D. No payment will be made for loss paid or payable to the insured under Part D of the policy.

E. No one will be entitled to receive duplicate payments for the same elements of loss under this coverage and Part A or Part B of this policy.

F. We will not make a duplicate payment under this coverage for any element of loss for which payment has been made by or on behalf of persons or organizations who may be legally responsible.

OTHER INSURANCE

If there is other applicable similar insurance we will pay only our share of the loss. Our share is the proportion that our limit of liability bears to the total of all applicable limits. However, any insurance we provide with respect to a vehicle you do not own shall be excess over any other collectible insurance.

With respect to **property damage**, this insurance shall apply only after the limits of any other collectible insurance applicable to the damaged property have been exhausted.

ARBITRATION

A. If we and an **insured** do not agree:

1. Whether that **insured** is legally entitled to recover damages; or
2. As to the amount of damages which are recoverable by that **insured**;

from the owner or operator of an **uninsured motor vehicle** or **underinsured motor vehicle**, then the matter may be arbitrated. However, disputes concerning coverage under this Part may not be arbitrated.

Both parties must agree to arbitration. If so agreed, each party will select an arbitrator. The two arbitrators will select a third. If they cannot agree within 30 days, either may request that selection be made by a judge of a court having jurisdiction.

B. Each party will:

1. Pay the expenses it incurs; and
2. Bear the expenses of the third arbitrator equally;

unless the arbitration costs are awarded to the prevailing party by the arbitrators.

C. Unless both parties agree otherwise, arbitration will take place in the county and state in which the **insured** lives. Local rules of law as to procedure and evidence will apply. A decision agreed to by two of the arbitrators will be binding as to:

1. Whether the **insured** is legally entitled to recover damages; and
2. The amount of damages.

This applies only if the amount does not exceed the minimum limit for bodily injury liability specified by the financial responsibility law of New Mexico. If the amount exceeds that limit, either party may demand the right to a trial. This demand must be made within 60 days of the arbitrators' decision. If this demand is not made, the amount of damages agreed to by the arbitrators will be binding.

ADDITIONAL DUTY

A person seeking Uninsured/Underinsured Motorists Coverage under the definition of **underinsured motor vehicle** must also promptly notify us in writing of a tentative settlement between the **insured** and the insurer of the **underinsured motor vehicle** and allow us 30 days to advance payment to that **insured** in an amount equal to the tentative settlement to preserve our rights against the insurer, owner or operator of such **underinsured motor vehicle**.

NAMED DRIVER EXCLUSION

If a Named Driver Exclusion applies to this policy, no Uninsured Motorists Coverage applies to you or

any **family members** when an excluded driver is operating the vehicle involved in the accident.

PART D — COVERAGE FOR DAMAGE TO YOUR AUTO**INSURING AGREEMENT**

A. We will pay for direct and accidental loss to **your covered auto** or any **non-owned auto**, including its equipment, minus any applicable deductible shown in the Declarations. We will pay for loss to **your covered auto** caused by:

1. other than **collision** only if the Declarations indicate that Comprehensive Coverage is provided for that auto.
2. **collision** only if the Declarations indicate that Collision Coverage is provided for that auto.

If there is a loss to a **non-owned auto**, we will provide the broadest coverage applicable to any vehicle shown in the Declarations.

B. "**Collision**" means the upset of **your covered auto** or a **non-owned auto** or its impact with another vehicle or object. No deductible will apply if the collision is with another auto insured by either SAFECO Insurance Company of America, SAFECO Insurance Company of Illinois, SAFECO National Insurance Company, SAFECO Lloyds Insurance Company, First National Insurance Company of America or General Insurance Company of America.

"**Comprehensive**" means loss, other than **collision**, to **your covered auto** or a **non-owned auto**. Loss caused by the following are not **collision** losses but are **comprehensive** losses:

Loss caused by missiles or falling objects; fire; theft or larceny; explosion or earthquake; windstorm; hail, water or flood; malicious mischief or vandalism; riot or civil commotion; contact with a bird or animal; or breakage of glass.

If breakage of glass is caused by a **collision**, you may elect to have it considered a loss caused by **collision**.

C. "Non-owned auto" means:

1. Any private passenger auto, pickup, van or **trailer** not owned by or furnished or available for the regular use of you or any **family member** while in the custody of or being operated by you or any **family member**; or
2. Any auto or **trailer** you do not own while used as a temporary substitute for **your covered auto** which is out of normal use because of its;

- a. breakdown;
- b. repair;
- c. servicing;
- d. loss; or
- e. destruction.

However, "**non-owned auto**" does not include any vehicle you do not own if:

1. A licensed automobile dealer provides the vehicle without charge to you or a **family member**:
 - a. for use as a temporary substitute while **your covered auto** is out of normal use because of its breakdown, repair or servicing;
 - b. to demonstrate the vehicle; or
 - c. as a promotional or courtesy vehicle; or
2. A licensed automobile dealer provides the vehicle for a charge, or someone other than a licensed automobile dealer provides the vehicle with or without charge, to you or a **family member**:
 - a. for use as a temporary substitute while **your covered auto** is out of normal use because of its breakdown, repair or servicing;
 - b. to demonstrate the vehicle; or
 - c. as a promotional or courtesy vehicle; and

The vehicle is provided under a written statement, signed by you or a **family member**, which contains the following language:

PRIMARY LIABILITY ASSIGNMENT

In consideration of the vehicle owner entrusting the motor vehicle elsewhere described to me, I agree that my vehicle insurance or self-insurance coverage shall be primarily responsible for any loss or damage caused by or to the motor vehicle.

D. "Camper body" means a body equipped as sleeping or living quarters which is designed to be mounted on a pickup.

TRANSPORTATION EXPENSES

In addition we will pay, without application of a deductible, either of the following, whichever is greater:

1. Up to \$22 per day, to a maximum of \$660; or
2. The limit for Loss of Use, if any, shown on the Declarations;

For:

1. Temporary transportation expenses incurred by you in the event of a total theft of **your covered auto**. We will pay for such expenses only if the Declarations indicate that Comprehensive Coverage is provided for that auto.
2. Indirect loss expenses for which you become legally responsible in the event of a loss to a **non-owned auto**. We will pay for indirect loss expenses if the loss is caused by:
 - a. other than **collision** only if the Declarations indicate that Comprehensive Coverage is provided for any **your covered auto**.
 - b. **collision** only if the Declarations indicate that Collision Coverage is provided for any **your covered auto**.

If the loss is caused by a total theft of **your covered auto** or a **non-owned auto**, we will pay only expenses incurred during the period:

1. Beginning 48 hours after the theft; and
2. Ending when **your covered auto** or the **non-owned auto** is returned to use or we pay for its loss.

If the loss is caused by other than a total theft of or a **non-owned auto**, we will pay only expenses beginning when the auto is withdrawn from use for more than 24 hours.

Our payment will be limited to that period of time reasonably required to repair or replace **your covered auto** or the **non-owned auto**.

EXCLUSIONS

We will not pay for:

1. Loss to **your covered auto** or any **non-owned auto** which occurs while it is being used as a public or livery conveyance. This

exclusion (1.) does not apply to a share-the-expense car pool.

2. Damage due and confined to:

- a. wear and tear;
- b. freezing;
- c. mechanical or electrical breakdown or failure; or
- d. road damage to tires.

This exclusion (2.) does not apply if the damage results from the total theft of **your covered auto** or any **non-owned auto**.

3. Loss due to or as a consequence of:

- a. radioactive contamination;
- b. discharge of any nuclear weapon (even if accidental);
- c. war (declared or undeclared);
- d. civil war;
- e. insurrection; or
- f. rebellion or revolution.

4. Loss to:

- a. any electronic equipment designed for the reproduction of sound, including, but not limited to:
 - (1) radios and stereos;
 - (2) tape decks; or
 - (3) compact disc players;
- b. any other electronic equipment that receives or transmits audio, visual or data signals, including, but not limited to:
 - (1) citizens band radios;
 - (2) telephones;
 - (3) 2-way mobile radios;
 - (4) scanning monitor receivers;
 - (5) television monitor receivers;
 - (6) video cassette recorders;
 - (7) audio cassette recorders; or
 - (8) personal computers;

- c. tapes, records, discs, or other media used with equipment described in a. or b.; or
- d. any other accessories used with equipment described in a. or b.

This exclusion (4.) does not apply to:

a. equipment designed solely for the reproduction of sound and accessories used with such equipment, provided:

(1) the equipment is permanently installed in **your covered auto** or any **non-owned auto**; or

(2) the equipment is:

(a) removable from a housing unit which is permanently installed in the auto;

(b) designed to be solely operated by use of the power from the auto's electrical system; and

(c) in or upon **your covered auto** or any **non-owned auto**;

at the time of loss; or

b. any other electronic equipment that is:

(1) necessary for the normal operation of the auto or the monitoring of the auto's operating systems; or

(2) an integral part of the same unit housing any sound reproducing equipment described in a. and permanently installed in the opening of the dash or console of **your covered auto** or any **non-owned auto** normally used by the manufacturer for installation of a radio.

5. A total loss to **your covered auto** or any **non-owned auto** due to destruction or confiscation by governmental or civil authorities because you or any **family member**:

a. engaged in illegal activities; or

b. failed to comply with Environmental Protection Agency or Department of Transportation standards.

This exclusion (5.) does not apply to the interests of Loss Payees in **your covered auto**.

6. Loss to a **camper body**, motor home or **trailer** you own which is not shown in the Declarations. This exclusion (6.) does not apply to a **camper body**, motor home or **trailer** you:

a. acquire during the policy period; and

b. ask us to insure during the policy period or within 30 days after you become the owner, whichever is greater.

7. Loss to any **non-owned auto** when used by you or any **family member** without a reasonable belief that you or that **family member** have permission to do so.

8. Loss to equipment designed or used for the detection or location of radar or laser.

9. Loss to any **non-owned auto** being maintained or used by any person while employed or otherwise engaged in the **business** of:

a. selling;

b. repairing;

c. servicing;

d. storing; or

e. parking;

vehicles designed for use on public highways. This includes road testing and delivery.

10. Loss to any **non-owned auto** being maintained or used by any person while employed or otherwise engaged in any **business** not described in exclusion 9. This exclusion (10.) does not apply to the maintenance or use by you or any **family member** of a **non-owned auto** which is a private passenger auto or trailer.

11. Loss to **your covered auto** or any **non-owned auto**, located inside a facility designed for racing, for the purpose of:

a. competing in; or

b. practicing or preparing for;

any prearranged or organized racing or speed contest.

12. Loss to, or loss of use of, a **non-owned auto** rented by:

a. you; or

b. any **family member**;

if a rental vehicle company is precluded from recovering such loss or loss of use, from you or that **family member**, pursuant to the provisions of any applicable rental agreement or state law.

LIMIT OF LIABILITY

A. Our limit of liability for loss will be the lesser of the:

1. Actual cash value of the stolen or damaged property;

2. Amount necessary to repair or replace the property; or

3. Limit of liability shown in the Declarations.

However, the most we will pay for loss to any **non-owned auto** which is a **trailer** is \$1,000.

B. An adjustment for depreciation and physical condition will be made in determining actual cash value at the time of loss.

PAYMENT OF LOSS

We may pay for loss in money or repair or replace the damaged or stolen property. We may, at our expense, return any stolen property to:

1. You; or
2. The address shown in this policy.

If we return stolen property we will pay for any damage resulting from the theft. We may keep all or part of the property at an agreed or appraised value.

If we pay for loss in money, our payment will include the applicable sales tax for the damaged or stolen property.

NO BENEFIT TO BAILEE

This insurance shall not directly or indirectly benefit any carrier or other bailee for hire.

OTHER SOURCES OF RECOVERY

If other sources of recovery also cover the loss, we will pay only our share of the loss. Our share is the proportion that our limit of liability bears to the total of all applicable limits. However, any insurance we provide with respect to a **non-owned auto** shall be excess over any other collectible source of recovery including, but not limited to:

1. Any coverage provided by the owner of the **non-owned auto**;

2. Any other applicable physical damage insurance;
3. Any other source of recovery applicable to the loss.

APPRAISAL

A. If we and you do not agree on the amount of loss, either may demand an appraisal of the loss. In this event, each party will select a competent appraiser. The two appraisers will select an umpire. The appraisers will state separately the actual cash value and the amount of loss. If they fail to agree, they will submit their differences to the umpire. A decision agreed to by any two will be binding. Each party will:

1. Pay its chosen appraiser; and
2. Bear the expenses of the appraisal and umpire equally.

B. We do not waive any of our rights under this policy by agreeing to an appraisal.

LIMITED MEXICO COVERAGE

WARNING

AUTO ACCIDENTS IN MEXICO ARE SUBJECT TO THE LAWS OF MEXICO, NOT THE LAWS OF THE UNITED STATES. UNDER MEXICAN LAW, AUTO ACCIDENTS ARE CONSIDERED A CRIMINAL OFFENSE AS WELL AS A CIVIL MATTER.

THE COVERAGE WE PROVIDE UNDER THIS COVERAGE DOES NOT MEET MEXICAN AUTO INSURANCE REQUIREMENTS.

YOU ARE REQUIRED TO PURCHASE LIABILITY INSURANCE THROUGH A LICENSED MEXICAN INSURANCE COMPANY FOR THIS COVERAGE TO APPLY.

INSURING AGREEMENT

A. All Liability, Medical Payments, Uninsured/Underinsured Motorists Coverage and Coverage For Damage to Your Auto afforded to an **insured**, as defined under the policy coverages, is extended to accidents occurring in Mexico within 100 miles of the United States border. This extension of coverage only applies while an **insured** seeking Limited Mexico Coverage is in Mexico on a trip of 10 days or less.

Our duty to defend under the Liability Coverage of this policy will apply only if:

1. The original suit for damages is brought in the United States; and
2. The suit does not involve a Mexican citizen or resident.

B. **"Your covered auto"** as used under this coverage means:

1. Any vehicle shown in the Declarations.
2. Any of the following types of vehicles on the date you become the owner:
 - a. a private passenger auto;
 - b. a pickup or van that:
 - (1) has a gross vehicle weight of less than 10,000 lbs.; and
 - (2) is not used for the delivery or transportation of goods and materials unless such use is:
 - (a) incidental to your business of installing, maintaining or repairing furnishings or equipment; or

(b) for farming or ranching.

c. a motor home or trailer.

This provision applies only if:

- a. you acquire the vehicle during the policy period;
- b. you ask us to insure the vehicle during the policy period or within 30 days after you become the owner, whichever is greater; and
- c. the vehicle is principally garaged and used in the United States.

3. Any trailer you own.

EXCLUSIONS

The following exclusions are in addition to any exclusions found under the other Parts of the policy.

A. We do not provide coverage to any **insured**:

- 1. If liability insurance from a licensed Mexican Insurance Company is not in force at the time of loss;
- 2. While **occupying** an auto other than **your covered auto**; and

3. Who is a citizen or resident of Mexico. This exclusion (A.3.) does not apply to loss payable under Coverage for Damage to Your Auto if the accident arises out of the operation of **your covered auto** by a Mexican citizen or resident.

B. We will not pay under Coverage for Damage to Your Auto for auto repairs made in Mexico unless **your covered auto** cannot be driven in its damaged condition.

OTHER INSURANCE

The insurance provided under this coverage is excess over any other collectible insurance.

LOSSES PAYABLE UNDER COVERAGE FOR DAMAGE TO YOUR AUTO

We will pay losses under Coverage for Damage to Your Auto in the United States, not in Mexico. If **your covered auto** must be repaired in Mexico in order to be driven, we will not pay more than the actual cash value of such loss at the nearest United States point where the repairs can be made.

PART E — DUTIES AFTER AN ACCIDENT OR LOSS

We have no duty to provide coverage under this policy unless there has been full compliance with the following duties:

A. We must be notified promptly of how, when and where the accident or loss happened. Notice should also include the names and addresses of any injured persons and of any witnesses.

B. A person seeking any coverage must:

- 1. Cooperate with us in the investigation, settlement or defense of any claim or suit.
- 2. Promptly send us copies of any notices or legal papers received in connection with the accident or loss.
- 3. Submit, as often as we reasonably require:
 - a. to physical examinations by physicians we select. We will pay for these exams.
 - b. to examination under oath and subscribe the same. We may examine any **insured** separately and apart from the presence of any other **insured**.
- 4. Authorize us to obtain:
 - a. medical reports; and

b. other pertinent records.

5. Submit a proof of loss, under oath if requested when required by us.

C. A person seeking Uninsured/Underinsured Motorists Coverage must also:

- 1. Promptly notify the police if a hit-and-run driver is involved.
- 2. Promptly send us copies of the legal papers if a suit is brought.

D. A person seeking Coverage for Damage to Your Auto must also:

- 1. Take reasonable steps after loss to protect **your covered auto** or any **non-owned auto** and its equipment from further loss. We will pay reasonable expenses incurred to do this.
- 2. Promptly notify the police if **your covered auto** or any **non-owned auto** is stolen.
- 3. Permit us to inspect and appraise the damaged property before its repair or disposal.

PART F — GENERAL PROVISIONS

POLICY PERIOD AND TERRITORY

- A. This policy applies only to accidents and losses which occur:
 - 1. During the policy period as shown in the Declarations; and
 - 2. Within the policy territory.
- B. The policy period is the period stated in the Declarations. The policy may be renewed for successive policy periods if the required premium is paid and accepted by us on or before the expiration of the current policy period. The premium will be computed at our then current rate for coverage then offered.
- C. The policy territory is:
 - 1. The United States of America, its territories or possessions;
 - 2. Puerto Rico; or
 - 3. Canada.

This policy also applies to loss to, or accidents involving, **your covered auto** while being transported between their ports.

BANKRUPTCY

Bankruptcy or insolvency of the **insured** shall not relieve us of any obligations under this policy.

CHANGES

- A. Before the end of any policy period, we may offer to change the coverage provided in this policy. Your payment of the premium billed by us for the next policy period will be your acceptance of our offer.
- B. This policy contains all the agreements between you and us. Its terms may not be changed or waived except by endorsement issued by us.
- C. If there is a change to the information used to develop the policy premium, we may adjust your premium. Changes during the policy term that may result in a premium increase or decrease include, but are not limited to, changes in:
 - 1. The number, type or use classification of insured vehicles;
 - 2. Operators using insured vehicles;
 - 3. The place of principal garaging of insured vehicles;
 - 4. Coverage, deductible or limits.

If a change resulting from B. or C. requires a premium adjustment, we will make the premium adjustment in accordance with our manual rules.

- D. If we make a change which broadens coverage under this edition of your policy without additional premium charge, that change will automatically apply to your policy as of the date we implement the change in your state. This paragraph (D.) does not apply to changes implemented with a general program revision that includes both broadenings and restrictions in coverage, whether that general program revision is implemented through introduction of:
 - 1. A subsequent edition of your policy; or
 - 2. An Amendatory Endorsement.
- E. Additional or return premium of \$3.00 or less resulting from policy changes will be waived.

FRAUD

We do not provide coverage for any **insured** who has made fraudulent statements or engaged in fraudulent conduct in connection with any accident or loss for which coverage is sought under this policy.

LEGAL ACTION AGAINST US

- A. No legal action may be brought against us until there has been full compliance with all the terms of this policy. In addition, under Part A, no legal action may be brought against us until:
 - 1. We agree in writing that the **insured** has an obligation to pay; or
 - 2. The amount of that obligation has been finally determined by judgment after trial.
- B. No person or organization has any right under this policy to bring us into any action to determine the liability of an **insured**.

OUR RIGHT TO RECOVER PAYMENT

- A. If we make a payment under this policy and the person to or for whom payment was made has a right to recover damages from another we shall be subrogated to that right. That person shall do:
 - 1. Whatever is necessary to enable us to exercise our rights; and
 - 2. Nothing after loss to prejudice them.

However, our rights in this paragraph (A.) do not apply under Part D, against any person using **your covered auto** with a reasonable belief that that person has permission to do so.

- B. If we make a payment under this policy and the person to or for whom payment is made recovers damages from another, that person shall:
 - 1. Hold in trust for us the proceeds of the recovery; and
 - 2. Reimburse us to the extent of our payment.
- C. Our rights do not apply under paragraph A. with respect to coverage under the definition of **underinsured motor vehicle** for Uninsured/Underinsured Motorists Coverage if we:
 - 1. Have been given prompt written notice of a tentative settlement between an **insured** and the insurer of an **underinsured motor vehicle**; and
 - 2. Fail to advance payment to the **insured** in an amount equal to the tentative settlement within 30 days after receipt of notification.

If we advance payment to the **insured** in an amount equal to the tentative settlement within 30 days after receipt of notification:

- 1. That payment will be separate from any amount the **insured** is entitled to recover under the provisions of Uninsured/Underinsured Motorists Coverage; and
- 2. We also have a right to recover the advanced payment.

TERMINATION

- A. **Cancellation.** This policy may be canceled during the policy period as follows:
 - 1. The named insured shown in the Declarations may cancel by:
 - a. returning this policy to us; or
 - b. giving us advance written notice of the date cancellation is to take effect.
 - 2. We may cancel by mailing to the named insured shown in the Declarations at the address shown in this policy:
 - a. at least 10 days notice:
 - (1) if cancellation is for nonpayment of premium; or
 - (2) if notice is mailed during the first 60 days this policy is in effect and this is not a renewal policy; or
 - b. at least 30 days notice if cancellation is for substantial change in the risk assumed by us since the policy was issued; or
 - c. at least 15 days notice in all other cases.
 - 3. After this policy is in effect for 60 days, or if this is a renewal policy, we will cancel only:
 - a. for nonpayment of premium; or

- b. if your driver's license or that of:
 - (1) any driver who lives with you; or
 - (2) any driver who customarily uses **your covered auto**;
- has been suspended or revoked during the policy period; or
- c. if the policy was obtained through material misrepresentation; or
- d. if there has been substantial change in the risk assumed by us since the policy was issued; or
- e. if the named insured presented a claim based on fraud or material misrepresentation.

- B. **Nonrenewal.** If we decide not to renew this policy, we will mail notice to the named insured shown in the Declarations at the address shown in this policy. Notice will be mailed at least 30 days before the end of the policy period.

- C. **Automatic Termination.** If we offer to renew and you or your representative do not accept, this policy will automatically terminate at the end of the current policy period. Failure to pay the required renewal premium when due shall mean that you have not accepted our offer.

If you obtain other insurance on **your covered auto**, any similar insurance provided by this policy will terminate as to that auto on the effective date of the other insurance.

D. Other Termination Provisions.

- 1. If the law in effect in your state at the time this policy is issued or renewed:
 - a. requires a longer notice period;
 - b. requires a special form of or procedure for giving notice; or
 - c. modifies any of the stated termination reasons;
- we will comply with those requirements.
- 2. We may deliver any notice instead of mailing it. Proof of mailing of any notice shall be sufficient proof of notice.
- 3. If this policy is canceled, you may be entitled to a premium refund. If so, we will send you the refund. The premium refund, if any, will be computed according to our manuals. However, making or offering to make the refund is not a condition of cancellation.
- 4. The effective date of cancellation stated in the notice shall become the end of the policy period.

TRANSFER OF YOUR INTEREST IN THIS POLICY

A. Your rights and duties under this policy may not be assigned without our written consent. However, if a named insured shown in the Declarations dies, coverage will be provided for:

1. The surviving spouse if resident in the same household at the time of death. Coverage applies to the spouse as if a named insured shown in the Declarations; and
2. The legal representative of the deceased person as if a named insured shown in the Declarations. This applies only with respect to the representative's legal responsibility to maintain or use **your covered auto**.

B. Coverage will only be provided until the end of the policy period.

TWO OR MORE AUTO POLICIES

If this policy and any other auto insurance policy issued to you by us apply to the same accident, the maximum limit of our liability under all such policies shall not exceed the highest limit applicable to any one policy.

1. This provision does not apply to Uninsured/Underinsured Motorists Coverage.
2. No one will be entitled to receive duplicate payments for the same elements of loss under Uninsured/Underinsured Motorists Coverage.

LOSS PAYABLE CLAUSE

As to the interest of the loss payee, this policy will remain in effect from the inception date and until ten days after cancellation notice is received by the loss payee. When we pay the loss payee we shall, to the extent of payment, have the loss payee's rights of recovery.

ADDITIONAL COVERAGES

AGREEMENT: WE WILL PROVIDE THE INSURANCE DESCRIBED IN EACH OF THE FOLLOWING ADDITIONAL COVERAGES ONLY IF INDICATED IN THE DECLARATIONS.

TOWING AND LABOR COSTS COVERAGE

We will pay reasonable expenses incurred each time **your covered auto** or a **non-owned auto** is disabled, for:

1. Towing to the nearest place where necessary repairs can be made during regular business hours if it will not run;
2. Towing it out if it is stuck on or next to a public street or highway;
3. Mechanical labor up to one hour at the place of its breakdown;
4. Change of tire; or
5. Delivery of gasoline, oil or loaned battery. We do not pay the cost of these items.

When there is a loss to any vehicle described in the Declarations for which a specific premium charge indicates that Loss of Use coverage is afforded, we will reimburse you for expenses you incur to rent a substitute auto.

This coverage applies only if:

1. The auto is withdrawn from use for more than 24 hours;
2. The loss is caused by **collision**, or is covered by the Comprehensive Coverage of this policy; and
3. The loss exceeds the appropriate **collision** or **comprehensive** deductible applying to the auto.

However, this coverage does not apply to losses caused by **collision** if Collision Coverage does not apply to the auto.

Our payment will be limited to that period of time reasonably required to repair or replace the auto. We will pay up to the amount per day and the maximum shown for Loss of Use in the Declarations.

LOSS OF USE COVERAGE

The provisions and exclusions that apply to Part D — Coverage for Damage to Your Auto also apply to this coverage except as changed below:

This policy has been signed by our President and Secretary.



Mike McGavick, President



Stephanie Daley-Watson, Secretary

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